

LPC Monday August 15, 2016

Zions Bank, Founders Room

Lynn Pace of Holladay opened the meeting, motion to approve minutes by John Hiskey and a second. Minutes approved. Lynn encouraged the group to turn in nominations for the League board of directors, which will have nine spots opening in September. Cameron Diehl from the League will then address us.

Cameron: Gas tax update - There was a good conversation with the counties, WFRC, UDOT and the League that morning. HB 362 had two components; the motor fuel tax and the local option sales tax. These two components were coming together as a pair, the League advocated for each. The motor fuel tax increase would be about 17 ½% increase for all entities. That was our (the League's) intent, as well as the chamber and others; all except the counties. The counties wanted the majority revenue of the 17 ½% to go to hold harmless entities (\$24 million). HB 362 passed but did not accomplish our goal nor UAC's (counties) goal. The way the bill was drafted there was a third piece, unknown to us. UAC met with UDOT and brought to us a "tweak" (HB 60) needed for the transportation bill, it sailed through the house and senate and passed. The sponsor of the bill anticipated a minor shift in money to hold harmless entities (\$1 – \$1.2 million). Early June 2016, West Valley City contacted the League because of a discrepancy in funds allocated to them and a couple counties (small counties with a larger amount allocated). We discovered a disconnect. We contacted the Governor, Speaker Hughes and other key legislators as well as did a webcast to try and get the word out there about what HB60 actually did. A few weeks ago we met with the Speaker and President of the Senate and were told to work with the counties to get it figured out. All entities needed to see an increase of 17 ½% and the legislators expressed an interest in a natural phase out of hold harmless counties. The amount needed to be around the \$1 million mark for these entities and they acknowledged there are unique needs for these rural areas and to address these. That's the framework we were given for the negotiations. We have been meeting weekly to finalize a formula that fits within that framework. We have been running a lot of data for solutions. The formulas we put forward are an increase of 17 ½% with a phase out of hold harmless. There is 4.9 cents new money out of gas tax that we can give to the hold harmless entities (50/50 formula) and would no longer be considered hold harmless (naturally done with new formula). This shrinks the amount of money taken out of your pocket that's reallocated to those hold harmless entities. We checked all boxes the legislature asked us to do. We can use "wiggle room" for the counties left over-this means the amount between 17 ½% to 19% (the actual amount it went up)—which could be used to help the HB 60 hold harmless entities naturally grow out of the hold harmless. There would be a small short term hit on non-hold harmless entities but it would get better over time because more money will be available long-term in the B&C fund and not get reallocated to the bigger pool of the HB 60 hold harmless entities. We want your feedback on this. September may be the last option for a special session because of the election. The sixth payment to hold harmless counties is being held by UDOT, at legislative request and with ULCT support, while we try to fix this.

Andrew Gruber, WFRC - One thing important to everyone is that all benefit from new gas tax passed. Everyone should see growth and there has been a coming together of all entities involved to work through this.

John Hiskey Sandy- Second time I've seen the League provide fact based decisions and answers, I congratulate you all.

Cameron - Our line in the sand has been your 17.5% increase that you budgeted for.

Jan Wells Murray - Timeline? Cameron - if no special session in September (sixth allocation to counties no longer held) then we could have a special session later in the fall or get to January. If we wait until January, then in addition to the sixth distribution, there could be an additional three disbursements of money to consider.

Lynn Pace Holladay - what do you want from this group right now and the special session in September. Cameron - Gov. recognizes problem but didn't want to call special session until we have a formula we all agree on. Our conference would all be before special session.

Jewel Allan Grantsville - impact on rural areas? Cameron - hold harmless counties/entities are Beaver, Box Elder, Emery, Grand, Garfield, Kane, Millard, Piute, Rich, San Juan, Wayne County and Rockville Town. Tooele outgrew hold harmless because of population growth.

Ken Bullock - critical we get your vote of support for the concept now.

Corey from Murray - Is it fair to say UAC and League in the same place now? Cameron - no, but they will meet with their members soon. What is the problem having special session in October? Ken - election.

Brent Taylor North Ogden - In favor of one-time kind of money. Great work and make motion to continue going in the direction the League is going. Second by Gil Miller. Cameron did another short overview of the League proposal. Motion voted on and passed.

Tom Hansen Washington Terrace - What's the timeframe of hold harmless phase out? Cameron - as soon as 1 year and up to 3 years.

Jodi Hoffman League - Short term rental meeting earlier. Meeting was good and included home team members as well as Travel Tech and Tax Commission. What we have learned is cities have had reasonable approach to short term rentals although that's difficult to explain to the legislature. There are over 20 terms for short term rentals and this is nothing new. Our data has showed that one small area short term rentals are banned. This is impossible to regulate, we need state help. Short term rental group has emphasized local control. One reason this issue has been difficult is because everyone does it different. LUDMA update-we need to be more transparent with our code and more forthcoming in interpreting our code in a way that respects property rights. Working on trying to differentiate administrative processes and legislative processes. How to let staff, appeal authorities and the courts apply existing law for how to interpret our laws. Impact Fees-difficult to enact a good impact fee. Property rights coalition wants more simplicity. Safe harbor process (one-time infrastructure assessment fee in lieu of impact fee). Possibly two-year time frame for this and not this session.

Lynn Pace - One thing to have if legislation is enhanced tools, we have effective remedies if there is a problem (enforcement). Jodi - we have discussed this in depth. Tax Commission working with Airbnb so you guys get the right funds back from those short term rentals.

Tom Hanson Washington Terrace - results of last legislative session summary we could cross reference those with our codes? Yes, on our website in the leg book.

Representative Webb - LPC type groups help us at the legislature in making laws and hearing your voice. We have to weigh other options from other entities as well though. You are political subdivisions of this state. Chair and vice chair of political subdivisions committee for many years. This committee is given responsibilities during interims to study certain items. Those topics are thrown at a committee and we do what we can with them. At the end of the session we are accountable for how we handled these topics. How do we get them passed? Most of the discussions we have are not in that committee, we meet with the stakeholders for the issues then we meet and present a review of each topic. Short term rentals one of the topics and just because this body doesn't want legislation doesn't mean it won't happen. Rep. Christensen's bill on treatment centers in residential neighborhoods, serious issue because these centers need large properties (nice neighborhoods) and they buy up nice property in nice neighborhoods. Once we have the tools we need then we implement into legislation. We have a lot of entities to listen to and we are trying to listen to everyone. Historic districts-Logan: they created a commission to not advise but granted that commission leg power to reject or approve projects and property. Let's let the legislature, already in place, make these land use decisions. Bodies like LPC are critical during the session, let your voice be heard.

Senator Fillmore - Senator Henderson here also. If I have the power to raise your taxes then I should be held responsible for doing so. Some do have taxing authority. Special service districts-they can raise taxes by putting it to vote by the people, a board voting to raise taxes and be held accountable for this increase and a board who has the majority (elected officials on board) vote can increase taxes (1 yes vote-elected official, 4 no votes by regular board members-the tax increase would happen). This is what I'm trying to solve. My change would be for special district boards to vote on tax increase then to go to the legislature to vote on whether or not that increase would happen. Questions?

Kyle Laws West Point - Unanimous or majority vote in cities? Senator Fillmore - up for debate and open to it.

Jason Walker Highland - how do you distinguish the difference between fees and taxes? This legislation would affect only the taxing portion.

Jason Walker Lehi - Would you include anything on fees? No just taxes. Jason - we are held accountable for fees as a city and shouldn't they be? Yes.

Melinda Greenwood Pleasant View - There are more issues with special service districts than just taxes.

Cameron Diehl the League - Thanks to the legislators who came today and for your ongoing partnership with the League. LPC on Tuesday after the golf tournament at our September Annual conference. Bring

any resolutions to us by the end of August. Wildland fire - fire districts and discrepancy between cities and towns. In the process for finalizing rules for wildland fire. Thanks to Jan Wells of Murray, she is retiring after many years of service. She helped Cameron get his start in politics.

Lynn Pace - Steve Fairbanks motioned to adjourn and seconded, meeting adjourned.

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